

Debt

As amended by voters at the November 5, 2002 election, section 10.1.15 of the Charter of the City and County of Denver authorizes the Board of Water Commissioners to issue only revenue bonds. Prior to November 2002, the Board was also authorized to issue General Obligation ("GO") Bonds and Revenue Bonds. GO Bonds issued prior to November 2002 which remain outstanding are backed by the Board's irrevocable commitment to pay principal and interest from the revenues of the water department. The Board currently has no existing revenue bond debt.

The Board currently has in effect a program of refunding a portion of the debt that matures each year. Additional amounts may also be refunded when regulations permit and market conditions are favorable. Water bonds are excluded from the debt limitations of the City and County of Denver.

At the end of 2002, the Board had outstanding General Obligation Debt of \$205.5 million. A schedule of General Obligation debt service appears below. No revenue bonds have yet been issued by the Board. Scheduled annual debt service for 2003 is \$22.1 million and for 2004 is \$23.8 million. The refunding program is expected to both reduce actual cash outlays from the scheduled amount and to smooth the volatility of future cash expenditures for debt service.

Schedule 1: Outstanding Debt As of December 31, 2002

General Obligation Water Bonds

<u>Series</u>	<u>True Interest Cost of Sale</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Outstanding</u>
1993, Sept.	5.17%	2009	15,600,000	\$ 1,380,000
1994	5.09%	2010	131,835,000	42,285,000
1995	5.08%	2010	12,825,000	9,560,000
1996	5.24%	2011	16,975,000	11,965,000
1997	4.93%	2012	19,530,000	18,530,000
1999	5.67%	2029	14,530,000	14,530,000
2000	5.06%	2015	12,700,000	12,700,000
2001A	4.38%	2016	11,215,000	10,415,000
2001B	3.84%	2009	75,170,000	73,480,000
2002	3.99%	2022	11,610,000	<u>10,635,000</u>
Total, GO Debt				\$ <u>205,480,000</u>